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EXAMINER

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/578,085
Filing Date: May 24, 2000
Appellant(s): PALMERI, RICHARD

MAILED

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GROUP 3600

Frank A. Cona
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed May 14, 2007 appealing from the Office
action mailed October 6, 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,621,640 Burke

WO 94/04979 Hartt et al.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 30-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Burke (US Patent No. 5,621,640) in view of Hartt et al (WO 94/04979).

As per claims 30, 31, 33 and 34, Burke discloses all the claimed limitations with the exception of the manner of distributing a transaction amount in a user trust account for investing for the user. Note the entire document. Burke states that an investment amount may take the form of extra charges or excess payment made on a transaction. See columns 2 and 3 of Burke. These investment amounts are invested in a bank, financial institution or are made as payments toward a credit card. See the entire document. Reports are transmitted to the customer. Note columns 2 and 3 of Burke.

Burke does not explicitly state "electronically distributing the portion reallocated from the transaction amount from the vendor account to a trust account using at least one electronic system, wherein the portion allocated from the transaction amount in the user trust account is placed in a user investment vehicle for the user".

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Hartt et al disclose an investment system wherein funds are being transferred from a vendor's account to an escrow account and then to a user investment vehicle for the user. See pages 3, line 23 to page 4, line 30 of Hartt. Both Hartt et al. and Burke disclose providing periodic statements to the user.

It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Burke by incorporating the transferring of funds system of Hartt therein. The motivation would have been to provide an automatic transfer system wherein funds are transferred in a more secure manner, and at the same time encouraging consumers to purchase at a desired vendor.

As per claim 31, Burke discloses providing a user's account and a vendor's account. Hartt et al disclose a user account, a vendor account and at least one user trust account. See the respective document, and the above motivation for combining Hartt et al and Burke.

As per claim 32, Burke discloses that a user may possess a bank account, one or more credit or debit accounts. See column 2, lines 16-29 of Burke. Hartt et al also discloses various types of investment accounts as the user investment account. Thus, the combination of Hartt et al and Burke teach maintaining a second user account as an investment account. It would have been obvious to one of ordinary skill in the art to note that the newly created investment vehicles or accounts are second accounts of the customers or vendors in which profits or the allocated funds may be deposited or invested thereto for profit purposes.

As per claim 33, a user account may be a credit card account, a checking account and a savings account which may be used as payment for a transaction and/or as re-payment when there is an excess of change in a particular transaction.

As per claim 34, note the discussion above in respect to claim 30 regarding the claimed trust account. Means for providing an interaction between the trust account/bank regarding portion of a transaction amount being placed in an investment vehicle is taught on page 4, lines 20-29 of Hartt et al.

As per claims 35 and 36, the combination of Burke and Hartt et al does not explicitly teach means of accessing the website or a kiosk. Accessing a website or a kiosk with means of accepting electronic cards are well known in the art. Providing such in the combined system of Burke and Hartt et al would have been obvious to one of ordinary skill in the art at the time of the invention in order to facilitate financial transactions to remote users and to users who can independently process electronically financial transactions without help of a sales clerk.

Claims 37, 40, 42 and 43 are system claims directing to computer components for performing the claimed functions recited in independent claim 30 above. These components would have been obvious to one of ordinary skill in the art when viewing the combined teachings of Burke and Hartt et al where it is disclosed various computer systems and subsystems for implementing the claimed invention. For example, a credit card issuer is a financial institution having at least one transaction processing unit for maintaining users' accounts or credit cardholders' accounts. Similarly, a vendor or merchant will have at least one computer system having a vendor account transaction processing unit for handling vendors' account transactions.

As per claims 38 and 39, having a user account manager and a vendor account manager in the combined system of Burke and Hartt et al is not explicitly stated. Such would have been obvious to one of ordinary skill in the art to do therein in order to facilitate the functioning of the

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overall system (such as accounts updates and transferring of funds to/from accounts) in a well-organized manner. It should be noted that Hartt et al allow various types of accounts. See figure 1 of Hartt et al., as these various types of accounts would have been managed by an account manager for providing user or clients with updated information related to their accounts.

As per claim 41, it would have been obvious to one of ordinary skill in the art to note in the combination of Burke and Hartt et al that the newly created investment vehicles are second accounts of the customers or vendors in which profits or allocated portions may be deposited or invested thereto. See the above discussion.

As per claims 44 and 45, see the rejection regarding claims 35 and 36 above.

As per claim 46, when the vendor transfers funds to a user account, this fund or portion of this fund may be transferred to the investment's vehicle. Note the teachings above with respect to claim 30 above. The added limitation of "electronically receiving...proximate in time to said transaction... using an electronic system" is taught by Hartt et al. See pages 3 and 4 of Hartt et al.

Claims 47-51 contain features recited in respective claims 3-7 and these claims are rejected under a similar rationale.

As per claim 52, see the rejection regarding claim 30 above.

As per claim 53, note the rejection of claim 38 above.

As per claims 54-58, note the rejection of respective claims 41-45 above.

(10) Response to Argument

The appellant has brought four points of arguments. Particularly at page 6, lines 1-8 of the Appellant's Brief, the Appellant has stated that:

The Examiner admits that Burke does not teach or suggest key aspects of the invention 2) these key aspects of the claimed invention are fundamentally contrary to the purpose of the Burke system 3) the Examiner has misread Hartt et al. to attribute the suggestion of key aspects of the claimed invention to that reference and 4) the complete lack of support for the Examiner's contention that the modification of these references along the lines of the invention would simply have been agreed to by the involved parties without any motivation.

In response, Burke is directed to a purchasing system and method in which a purchaser may select a good/service to purchase from a store, shop or supermarket. The purchaser may opt to pay an amount in excess of the purchasing price. The excess amount will then be deposited to a donation or charity account or to a desired checking or savings account of the purchaser. A central computer tracking deposits and transfers, periodically sends out a report to all involved parties (purchasers, vendor or banks) See column 2, lines 32-57 of Burke. On column 3, lines 37-48 of Burke it is further described a purchaser using his/her credit card to make payment toward the purchase of a good/service and provides an excess amount of funds toward the purchase to be transferred to an investment account. Funds can also be transferred to the IRS for payment purpose (see column 7, lines 8-21 of Burke) or to a bank account for future saving (see column 2, lines 60-64 of Burke) as desired by the purchaser. As can be seen both Burke and the instant invention attempt to add extra funds to a customer's investment or savings/checking account. It is noted that any of the involved parties namely the customer, vendor or bank may

add extra funds to the customer's savings or investment account. In the system of Burke, the customer makes the extra payment to a bank account whereas in the claimed invention, the vendor makes the extra payment to the investment account. The Examiner asserts that this difference does not bring any patentable differences when viewing the system of Burke because any of the involved parties may desire to make the extra payment for the benefit of the customer as for marketing purposes and also as a manner to attract customers to the vendors' place of business.

The appellant then argues that Burke does not explicitly teach the step of "electronically distributing at least a portion reallocated from the transaction amount... wherein said portion allocated from said transaction amount in said user trust account is placed in a user investment vehicle for said user" or "wherein at least a portion reallocated from said amount " is placed " in a user investment vehicle for the user". In any event, the Examiner had relied on the teachings of Hartt et al. for these limitations. Hartt et al are directed to a system and method for providing an incentive to a purchaser, which said incentive can be transferred to an investment fund desired by the purchaser. See page 2 of Hartt et al. The portion allocated by Hartt et al is made by the vendors of the system of Hartt et al. See page 2, lines 8-13 and page 3, lines 13-16. Hartt et al. choose to donate cash back to the customer instead of paying huge advertising fees. Thus, in a way, the cash back donated by the vendors of Hartt et al can also be seen as a portion allocated from the sales price because instead of pricing goods or services expensively, Hartt et al. rather reduce the price of the goods/services and allocates advertising costs as an incentive or rebate to the customers. For example, if the price for an item (included the incurred advertising cost) is to be placed at \$100. Hartt et al. may opt to place the item at \$90 and provides the customer a \$10

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incentive. Therefore, Hartt et al. also allocate a portion of a transaction amount to a purchaser's investment vehicle for the purchaser. Hartt et al also state that the incentive can also be cash. See page 4, lines 16-17 of Hartt et al. It would have been obvious to one of ordinary skill in the art at the time the invention was made to incorporate the teachings of Hartt et al. into the system and method of Burke in order to allow a merchant or vendor to allocate funds to a purchaser's investment account. The motivation would have been to allow a vendor to attract more customers to the vendor's place of business thus providing more sales revenue for the vendor.

Appellant then argues that the Examiner attempts to bypass the complete lack of teaching of aspects of their invention by stating the timing and reallocation of funds do not affect the structure and functionality of the computerized system of Burke and Hartt et al.

In response, the Examiner did not attempt not to address limitations of the claimed invention. The Examiner has stated that the timing and reallocation of funds do not affect the structure and functionality of the combined system of Burke and Hartt et because the appellant was arguing that "In Hartt et al., the subscriber transaction information is transferred after the transaction, such as by using written records, magnetic files, or electronic data transfer. Thereafter, the processor calculates the rebate amount and has these funds transferred to the investment" and by stating that "In sharp contrast to Hartt et al. the claimed invention electronically reallocates a portion of the transaction amount to the investment proximate in time to the transaction".

In response to this argument, the Examiner had stated that it appears that the appellant is only arguing the timing of reallocating a portion of the investment while admitting that Hartt et al also teach transferring funds to an investment account of a subscriber. As noted, "Hartt et al

disclose an investment system wherein funds are being transferred from a vendor's account to an escrow account and then to a user investment vehicle for the user. See pages 3, line 23 to page 4, line 30 of Hartt." The timing or the direction of which funds are transferred between the accounts of the involved entities are merely left to the decisions and agreements among the involved entities. As noted, the structure of Burke and Hartt et al describes a vendor account, a user account, a trust account and an investment account and a computerized computer for performing the transferring of funds and the management of the different accounts. Burke and Hartt et al also describe and contain all the structural and functional relationships of a computerized system for performing the claimed invention. The timing and reallocation of funds do not affect the structure and functionality of the computerized system of Burke and Hartt et al. As such the Examiner asserts that the timing of reallocating funds in the system of Burke and Hartt et al would have been obvious to one of ordinary skill in the art to do based on the decisions and arrangements as would have been agreed by all the involved parties or entities.

As can be seen, the Examiner had not attempted to avoid addressing limitations of the claimed invention.

Appellant then argues that while Burke does disclose an electronic funds transfer system generally, this is not what appellant is claiming and that the structure and functionality of the system of Burke would have to be fundamentally altered to achieve their claimed invention.

In response, paying of and transferring funds to an account, a feature being claimed and taught by Burke is indeed an electronic funds transfer system. That structure and functionality are present in Burke. See figure 1 of Burke.

Appellant then argues that the Examiner incorrectly contends that Hartt et al. disclose transferring funds from a vendor account to an escrow account. In response, the appellant is directed to pages 3 and 4 of Hartt et al.

Appellant then argues that Hartt et al do not specify where the funds for the rebate actually come from.

In response, in the abstract of Hartt et al., it is stated "A subscriber rebate is calculated for each subscriber from subscriber transaction information, a description of purchased goods and services, purchase price and time and place of purchase for each transaction between a subscriber and participating vendor". Furthermore, on page 2, lines 9-13, it is stated, "The subscriber rebate is made up of a portion of the purchase price which can represent some of the participating vendors savings in advertising costs".

The appellant then argues that the modification of does not come from any teaching in the Hartt et al reference but instead from the Examiner's hindsight assertion that the modification would be an obvious choice.

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

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In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the Examiner has applied sound rationale in considering Burke and Hartt et al as a basis for teaching and/or suggest the claimed invention.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

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For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,


Frantzy Poinvil

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